

COMPANY REGISTRATION NUMBER 4021839

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2004



HIGGINS FAIRBAIRN & CO.

Chartered Accountants & Registered Auditors
71 Duke Street
Mayfair
London W1K 5NY

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

CONTENTS	PAGE
Officers and professional advisers	1
The director's report	2
Independent auditors' report to the shareholders	4
Group profit and loss account	6
Group statement of total recognised gains and losses	7
Group balance sheet	8
Company balance sheet	9
Notes to the financial statements	10
The following pages do not form part of the financial statements	
Detailed group profit and loss account	21
Notes to the detailed group profit and loss account	22

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
OFFICERS AND PROFESSIONAL ADVISERS

The director	Novagraaf Finance B.V.
Company secretary	Parmindar S. Kalra
Registered office	<i>Parchment House</i> 13 Northburgh Street London EC1V 0JP
Auditors	Higgins Fairbairn & Co. <i>Chartered Accountants</i> & Registered Auditors 71 Duke Street Mayfair London W1K 5NY
Bankers	ING Bank DK Amsterdam Amstelplein 1 HA Amsterdam 1096

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2004

The director has pleasure in presenting its report and the financial statements of the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company for its trade mark and patent businesses in the UK.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE PARENT COMPANY

The director who served the company during the year together with its beneficial interests in the shares of the parent company was as follows:

	Ordinary shares of £1 in the parent company	
	At 31 December 2004	At 1 January 2004
Novagraaf Finance B.V.	<u>1,357,529</u>	<u>1,357,529</u>

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group at the end of the year and of the group's profit or loss for the year then ended. In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES**THE DIRECTOR'S REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2004****DONATIONS**

During the year the company made the following contributions:

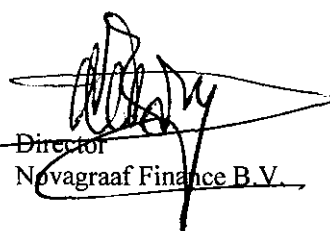
	2004	2003
	£	£
Charitable	<u>30</u>	<u>25</u>

AUDITORS

A resolution to re-appoint Higgins Fairbairn & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Parchment House
13 Northburgh Street
London
EC1V 0JP

Signed by


Director
Novagraaf Finance B.V.Approved by the director on 23 March 2005

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the group is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES *(continued)***

YEAR ENDED 31 DECEMBER 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 December 2004 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Higgins Fairbairn & Co.

HIGGINS FAIRBAIRN & CO.
Chartered Accountants
& Registered Auditors

71 Duke Street
Mayfair
London W1K 5NY

23
..... March 2005

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 (Restated) £
GROUP TURNOVER	2	4,891,085	4,656,332
Cost of sales		<u>1,865,432</u>	<u>1,819,790</u>
GROSS PROFIT		3,025,653	2,836,542
Distribution costs		31,955	27,097
Administrative expenses		2,518,743	2,455,946
Other operating income		<u>(1,250)</u>	<u>(1,061)</u>
OPERATING PROFIT	3	476,205	354,560
Income from shares in group undertakings	6	<u>93,722</u>	<u>216,076</u>
		569,927	570,636
Interest receivable and similar income		5,053	3,855
Interest payable and similar charges	7	<u>(17,932)</u>	<u>(39,115)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		557,048	535,376
Tax on profit on ordinary activities	8	<u>220,611</u>	<u>176,656</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	<u>336,437</u>	<u>358,720</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 10 to 19 form part of these financial statements.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	(Restated)
		£
Profit for the financial year attributable to the shareholders of the parent company	336,437	358,720
<i>Total recognised gains and losses relating to the year</i>	336,437	358,720
Prior year adjustment (see note 10)	—	(238,880)
Total gains and losses recognised since the last annual report	336,437	119,840

The notes on pages 10 to 19 form part of these financial statements.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

GROUP BALANCE SHEET

31 DECEMBER 2004

		2004	2003 (Restated)
	Note	£	£
FIXED ASSETS			
Intangible assets	11	658,822	908,935
Tangible assets	12	133,350	155,405
		<u>792,172</u>	<u>1,064,340</u>
CURRENT ASSETS			
Work in progress	14	174,084	194,184
Debtors	15	1,221,151	962,628
Cash at bank		300,984	556,505
		<u>1,696,219</u>	<u>1,713,317</u>
CREDITORS: Amounts falling due within one year	16	<u>791,716</u>	<u>779,185</u>
NET CURRENT ASSETS		<u>904,503</u>	<u>934,132</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,696,675</u>	<u>1,998,472</u>
CREDITORS: Amounts falling due after more than one year	17	<u>—</u>	<u>598,588</u>
		<u>1,696,675</u>	<u>1,399,884</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	19	816	5,434
		<u>1,695,859</u>	<u>1,394,450</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	1,357,529	1,357,529
Profit and loss account	24	338,330	36,921
SHAREHOLDERS' FUNDS	25	<u>1,695,859</u>	<u>1,394,450</u>

These financial statements were approved and signed by the director on 23 March 2005



 NOVAGRAAF FINANCE B.V.

The notes on pages 10 to 19 part of these financial statements.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
COMPANY BALANCE SHEET
31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Intangible assets	11	658,822	908,935
Investments	13	1,259,816	1,166,316
		<u>1,918,638</u>	<u>2,075,251</u>
CURRENT ASSETS			
Debtors	15	58,200	—
Cash at bank		20,913	106,409
		<u>79,113</u>	<u>106,409</u>
CREDITORS: Amounts falling due within one year	16	<u>301,892</u>	<u>188,398</u>
NET CURRENT LIABILITIES		<u>(222,779)</u>	<u>(81,989)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,695,859</u>	<u>1,993,262</u>
CREDITORS: Amounts falling due after more than one year	17	—	598,588
		<u>1,695,859</u>	<u>1,394,674</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	1,357,529	1,357,529
Profit and loss account	24	338,330	37,145
SHAREHOLDERS' FUNDS		<u>1,695,859</u>	<u>1,394,674</u>

These financial statements were approved and signed by the director on 23 March 2005



 NOVAGRAAF FINANCE B.V.

The notes on pages 10 to 19 form part of these financial statements.

YEAR ENDED 31 DECEMBER 2004

Basis of accounting

Basis of consolidation

Cash flow statement

Turnover

Goodwill

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 7 years

Fixed assets

All fixed assets are initially recorded at cost.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2004****1. ACCOUNTING POLICIES** *(continued)***Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- Over period of lease
Fixtures & Fittings	- 10% straight line
Computer Equipment	- 25% straight line
Office Equipment	- 25% straight line

Work in progress

Work in progress is valued on the basis of direct costs. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of unbilled direct costs.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the balance sheet date where the transactions or events have occurred at that date that will result in the obligation to pay more, or the right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted on the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

Investments are held as fixed assets and stated at current net asset value less provision for any impairment in value.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2004 £	2003 £
United Kingdom	<u>4,891,085</u>	<u>4,656,332</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004 £	2003 £
Directors emoluments	652,115	564,753
Amortisation	250,113	250,113
Depreciation of owned fixed assets	27,379	27,296
Auditors' remuneration		
- as auditors	38,700	40,900
Operating lease costs:		
Plant and equipment	1,541	3,010
Vehicles	18,883	20,223
Net loss on foreign currency translation	8,155	832
Exceptional items	<u>-</u>	<u>(20,040)</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2004 No	2003 No
Number of administrative staff	26	23
Number of management staff	10	13
	<u>36</u>	<u>36</u>

The aggregate payroll costs of the above were:

	2004 £	2003 £
Wages and salaries	1,231,579	1,175,389
Social security costs	145,365	123,640
Other pension costs	90,685	87,348
	<u>1,467,629</u>	<u>1,386,377</u>

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	652,115	564,753
Value of company pension contributions to money purchase schemes	48,554	43,122
	<u>700,669</u>	<u>607,875</u>

Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions)	148,188	144,972
Value of company pension contributions to money purchase schemes	15,837	15,962
	<u>164,025</u>	<u>160,934</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>7</u>	<u>6</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2004	2003
	£	(restated) £
Profit on revaluation of investments in subsidiaries	<u>93,722</u>	<u>216,076</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Interest on holding company loan	<u>17,932</u>	<u>39,115</u>

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

8. TAXATION ON ORDINARY ACTIVITIES

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	225,229	170,528
Total current tax	225,229	170,528
Deferred tax:		
Origination and reversal of timing differences	(4,618)	6,128
Tax on profit on ordinary activities	220,611	176,656

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £242,713 (2003 - £142,683).

10. PRIOR YEAR ADJUSTMENT

This arises from revaluation of investments in subsidiaries and retranslation of a long term loan from the holding company, denominated in Euros.

11. INTANGIBLE FIXED ASSETS

Group and company	Goodwill £
COST	
At 1 January 2004 and 31 December 2004	1,750,790
AMORTISATION	
At 1 January 2004	841,855
Charge for the year	250,113
At 31 December 2004	1,091,968
NET BOOK VALUE	
At 31 December 2004	658,822
At 31 December 2003	908,935

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

12. TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £	Fixtures & Fittings £	Computer Equipment £	Office Equipment £	Total £
COST					
At 1 January 2004	130,841	55,831	329,536	24,697	540,905
Additions	—	—	2,107	3,217	5,324
At 31 December 2004	<u>130,841</u>	<u>55,831</u>	<u>331,643</u>	<u>27,914</u>	<u>546,229</u>
DEPRECIATION					
At 1 January 2004	33,768	42,165	287,427	22,140	385,500
Charge for the year	5,219	3,294	17,307	1,559	27,379
At 31 December 2004	<u>38,987</u>	<u>45,459</u>	<u>304,734</u>	<u>23,699</u>	<u>412,879</u>
NET BOOK VALUE					
At 31 December 2004	<u>91,854</u>	<u>10,372</u>	<u>26,909</u>	<u>4,215</u>	<u>133,350</u>
At 31 December 2003	<u>97,073</u>	<u>13,666</u>	<u>42,109</u>	<u>2,557</u>	<u>155,405</u>

13. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2004	1,166,316
Revaluation	93,500
At 31 December 2004	<u>1,259,816</u>
NET BOOK VALUE	
At 31 December 2004	<u>1,259,816</u>
At 31 December 2003 (<i>restated</i>)	<u>1,166,316</u>

14. WORK IN PROGRESS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Unbilled direct costs	174,084	194,184	—	—

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

15. DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	986,697	819,047	—	—
Amounts owed by group undertakings	119,238	25,738	58,200	—
Other debtors	8,900	6,088	—	—
Prepayments and accrued income	106,316	111,755	—	—
	<u>1,221,151</u>	<u>962,628</u>	<u>58,200</u>	<u>—</u>

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	—	2,214	—	—
Trade creditors	291,292	318,772	—	—
Amounts owed to group undertakings	17,314	74,973	291,892	159,944
Other creditors	383,611	252,771	—	—
Accruals and deferred income	99,499	130,455	10,000	28,454
	<u>791,716</u>	<u>779,185</u>	<u>301,892</u>	<u>188,398</u>

17. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts owed to group undertakings	—	598,588	—	598,588

18. PENSIONS

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administrated fund. The pension cost charge represents contributions payable by the group and amounted to £90,685 (2003: £87,348). There were no outstanding or pre-paid contributions at the balance sheet date.

19. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Provision/Asset brought forward	5,434	(694)	—	—
(Decrease)/Increase in provision	(4,618)	6,128	—	—
Provision carried forward	<u>816</u>	<u>5,434</u>	<u>—</u>	<u>—</u>

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2004		2003	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire:				
Within 1 year	36,780	3,513	-	-
Within 2 to 5 years	147,020	13,616	108,667	14,256
After more than 5 years	-	-	36,780	-
	<u>183,800</u>	<u>17,129</u>	<u>145,447</u>	<u>14,256</u>

21. CONTINGENCIES

	2004 £	2003 £
Guarantees of group undertakings' bank indebtedness (Maximum bank facility)	<u>3,035,270</u>	<u>3,027,853</u>

The European group bank indebtedness is secured by a first fixed charge and debenture on the UK group companies' assets and goodwill, together with a negative pledge from each group company.

22. RELATED PARTY TRANSACTIONS

During the year, the group earned fees of £199,836 (2003: £152,233) from non-UK group companies. The amount owed on the sales ledger is £17,448 (2003: £14,983). The group also paid fees of £56,974 (2003: £51,380) to non-UK group companies. The amount owed on the purchase ledger is £8,880 (2003: £5,302).

Management charges of £113,807 (2003: £155,466) were paid to the ultimate holding company, Novagraaf Holding B.V.

Interest of £17,932 (2003: £39,115) was charged by Novagraaf Finance B.V. (formerly known as Vredezicht's Gravenhage 80 B.V.), which is a group company.

All transactions were on an arms length basis.

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

23. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,357,529 Ordinary shares of £1 each	<u>1,357,529</u>	<u>1,357,529</u>

Allotted, called up and fully paid:

	2004	2003
	No	No
	£	£
Ordinary shares of £1 each	<u>1,357,529</u>	<u>1,357,529</u>

24. RESERVES

Group

	Profit and loss account £
Original balance brought forward	95,393
Prior year adjustment	(93,500)
	<u>1,893</u>
Restated balance brought forward	336,437
Retained profit for the year	<u>338,330</u>
Balance carried forward	<u>338,330</u>

Company

	Profit and loss account (restated) £
Original balance brought forward	(92,411)
Prior year adjustment (<i>note 10</i>)	188,028
	<u>95,617</u>
Restated balance brought forward	242,713
Retained profit for the year	<u>338,330</u>
Balance carried forward	<u>338,330</u>

NOVAGRAAF IP UK LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004		2003 (Restated)	
	£	£	£	£
Profit for the financial year		336,437		358,720
Other direct charges/credits (re prior year)		—		4,380
*Foreign currency gains/losses on translation of long term loan		58,472		(58,472)
Net addition to shareholders' equity funds		394,909		304,628
Opening shareholders' equity funds	1,394,450		1,328,702	
Prior year adjustment (<i>see note 10</i>)	(93,500)		(238,880)	
		1,300,950		1,089,822
Closing shareholders' equity funds		1,695,859		1,394,450

*An amount of £58,472 was transferred from the foreign currency reserve as follows: £24,119 to inter company loans and £34,353 to foreign currency losses (P&L), as the loan has been repaid in full.

26. SUBSIDIARIES

The following companies, which are all trade mark and patent agents, are the principal subsidiary undertakings of the Group at 31st December 2004:

- (1) Novagraaf Limited
- (2) J.E. Evans-Jackson & Co Limited
- (3) William A. Shepherd & Son Limited
- (4) William Jones Limited
- (5) Novagraaf Patents Limited

All the above companies are 100% owned, located and registered in the United Kingdom, and have been included in the consolidated accounts.

27. ULTIMATE PARENT COMPANY

The immediate holding company is Novagraaf Finance B.V. (formerly known as Vredezicht's Gravenhage 80 B.V.) which is incorporated in the Netherlands. The director regards Novagraaf Holding B.V, which is also incorporated in the Netherlands, as the ultimate holding company